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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

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[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 1992

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-12456

AMERICAN SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

Georgia	58-1098795
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
470 East Paces Ferry Road, N.E., Atlanta, Georgia (Address of principal executive offices)	30305 (Zip Code)

(404) 261-4381
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Classes	Outstanding at March 3, 1992
Class A Common Stock, $.10 par value	17,742,661 Shares
Class B Common Stock, $.10 par value	5,204,119 Shares

Exhibit Index on Page 13

BEST COPY AVAILABLE

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES

Form 10-Q

Quarter ended January 31, 1992

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PART I FINANCIAL INFORMATION
Item 1. Financial Statements

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	January 31, 1992 (Unaudited)	April 30, 1991
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,542,991	$ 1,354,757
Investments (Note B)	59,552,827	61,138,775
Trade accounts receivable, less allowance for doubtful accounts of $1,300,000 at January 31, 1992 and April 30, 1991	21,426,536	21,866,540
Unbilled accounts receivable	8,595,029	-
Current deferred income taxes	637,924	1,468,333
Prepaid expenses and other current assets	1,647,624	2,591,378
Total current assets	94,402,931	88,419,783
Property and equipment, at cost	33,406,254	32,428,945
Less accumulated depreciation and amortization	16,008,937	14,354,113
Net property and equipment	17,397,317	18,074,832
Capitalized software development costs, net	16,496,846	13,992,699
Other assets	1,600,712	1,600,633
	$129,897,806	$122,087,947

(continued)

See accompanying notes to condensed consolidated financial statements.

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets, Continued

	January 31, 1992 (Unaudited)	April 30, 1991
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,834,956	$ 4,169,507
Accrued compensation and related costs	4,399,304	3,168,247
Accrued royalties	2,664,459	3,141,667
Other current liabilities	854,404	744,256
Income taxes payable	-	1,569,778
Deferred revenue	11,838,132	14,563,658
Total current liabilities	22,591,255	27,357,113
Long-term debt	292,532	299,312
Deferred income taxes	4,469,830	3,978,060
Total liabilities	27,353,617	31,634,485
Shareholders' equity:		
Common stock:		
Class A, $.10 par value. Authorized 50,000,000 shares; issued 18,076,405 shares at January 31, 1992 and 17,432,220 shares at April 30, 1991	1,807,641	1,743,222
Class B, $.10 par value. Authorized 10,000,000 shares; issued and outstanding 5,204,119 shares at January 31, 1992 and 5,521,000 shares at April 30, 1991	520,412	552,100
Additional paid-in capital	26,824,466	25,097,090
Retained earnings	76,639,420	66,308,800
	105,791,939	93,701,212
Less treasury stock, 378,000 Class A shares, at cost	3,247,750	3,247,750
Total shareholders' equity	102,544,189	90,453,462
	$129,897,806	$122,087,947

See accompanying notes to condensed consolidated financial statements.

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Earnings
(Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	1992	1991	1992	1991
Revenues:				
License fees	$16,203,263	$10,790,223	$41,876,346	$33,254,638
Services	10,530,889	9,541,580	30,859,662	29,856,403
Maintenance	4,327,682	3,288,681	12,357,751	9,858,957
Total revenues	31,061,834	23,620,484	85,093,759	72,969,998
Cost of revenues:				
License fees	6,410,901	4,855,233	18,065,323	14,254,007
Services	4,196,098	4,302,084	12,772,324	12,605,951
Maintenance	1,263,452	1,173,955	3,709,802	3,255,739
Total cost of revenues	11,870,451	10,331,272	34,547,449	30,115,697
Selling, general, and administrative expenses	11,169,183	10,063,465	31,504,705	28,135,024
Operating earnings	8,022,200	3,225,747	19,041,605	14,719,277
Other income, net	1,327,425	1,434,180	3,483,700	3,405,184
Earnings before income taxes	9,349,625	4,659,927	22,525,305	18,124,461
Income taxes	3,234,035	1,414,703	7,650,759	6,132,466
Net earnings	$ 6,115,590	$ 3,245,224	$14,874,546	$11,991,995
Earnings per common and common equivalent share	$ .26	$ .14	$ .64	$ .52
Weighted average number of common and common equivalent shares outstanding	23,400,134	23,226,003	23,313,231	23,240,299

See accompanying notes to condensed consolidated financial statements.

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)

Nine months ended January 31, 1992

	Common Stock Class A Shares	Common Stock Class A Amount	Common Stock Class B Shares	Common Stock Class B Amount	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 30, 1991	17,432,220	$1,743,222	5,521,000	$552,100	$25,097,090	$66,308,800	$(3,247,750)	$90,453,462
Net earnings	--	--	--	--	--	14,874,546	--	14,874,546
Cash dividends declared of $.20 per share	--	--	--	--	--	(4,543,926)	--	(4,543,926)
Conversion of Class B shares into Class A shares	316,881	31,688	(316,881)	(31,688)	--	--	--	--
Proceeds from stock options exercised	327,304	32,731	--	--	1,295,187	--	--	1,327,918
Grants of compensatory stock options	--	--	--	--	432,189	--	--	432,189
Balance at January 31, 1992	18,076,405	$1,807,641	5,204,119	$520,412	$26,824,466	$76,639,420	$(3,247,750)	$102,544,189

See accompanying notes to condensed consolidated financial statements.

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended January 31,	
	1992	1991
Cash flows from operating activities:		
Net earnings	$14,874,546	$11,991,995
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	5,352,372	3,823,086
Net loss on investments	(193,535)	(70,431)
Grants of compensatory stock options	432,189	568,717
Deferred income taxes	1,322,179	(209,892)
Change in operating assets and liabilities:		
Accounts receivable	(8,155,025)	(717,197)
Prepaids and other assets	442,108	(865,017)
Accounts payable and other accrued liabilities	(470,554)	(519,065)
Income taxes payable	(1,569,778)	(846,326)
Deferred revenue	(2,725,526)	2,216,032
Net cash provided by operating activities	9,308,976	15,371,902
Cash flows from investing activities:		
Capitalized software development costs	(5,700,128)	(4,065,154)
Net decrease (increase) in money market funds	(11,342,127)	832,827
Purchases of investments	(12,904,324)	(35,927,941)
Proceeds from sales of investments	26,025,934	32,678,940
Purchases of property and equipment	(977,309)	(2,976,313)
Net cash used in investing activities	(4,897,954)	(9,457,641)
Cash flows from financing activities:		
Repurchase of common stock	-	(3,247,750)
Repayment of long-term debt	(6,780)	(5,589)
Proceeds from exercise of stock options	1,327,918	775,879
Dividends paid	(4,543,926)	(3,941,794)
Net cash used in financing activities	(3,222,788)	(6,419,254)
Net increase (decrease) in cash and cash equivalents	1,188,234	(504,993)
Cash and cash equivalents at beginning of period	1,354,757	1,689,214
Cash and cash equivalents at end of period	$ 2,542,991	$ 1,184,221
Supplemental disclosure of cash paid during the period for income taxes	$ 7,898,358	$ 7,188,981

See accompanying notes to condensed consolidated financial statements.

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements

A. Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These financial statements should be used in conjunction with the consolidated financial statements and related notes contained in the 1991 Annual Report on Form 10-K. The financial information presented in the condensed consolidated financial statements reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the period indicated.

B. Investments

Investments consist of the following:

	January 31, 1992	April 30, 1991
Money market funds	$26,248,688	$14,906,561
Debt securities:		
U.S. Treasury securities	6,374,843	24,758,232
Tax-exempt state and municipal bonds	22,344,367	19,108,580
Total debt securities	28,719,210	43,866,812
Other marketable securities	4,584,929	2,365,402
	$59,552,827	$61,138,775

Other marketable securities included in investments at January 31, 1992 and April 30, 1991, are carried at market, which was lower than cost. The carrying value of the portfolio was reduced to market at January 31, 1992 and April 30, 1991, by establishing a valuation allowance of approximately $218,000 and $212,000, respectively.

C. Earnings Per Common and Common Equivalent Share

Earnings per common and common equivalent share are based on the weighted average number of shares outstanding and share equivalents from dilutive stock options of Class A common stock outstanding during each period after increasing the number of Class A shares to give effect to the assumption that all Class B shares had been converted on a one-for-one basis during each period.

(Continued)

D. Restatement for Adoption of New Revenue Recognition Method

As discussed in the 1991 Annual Report on Form 10-K, the Company adopted the significant provisions of the exposure draft for the Proposed Statement of Position (SOP) "Software Revenue Recognition". The 1991 condensed consolidated financial statements have been restated to retroactively apply the SOP. The effect of the accounting change on net earnings and net earnings per common and common equivalent share for the quarter and nine months ended January 31, 1991 as previously reported on Form 10-Q is as follows:

	Quarter	Nine Months
Decrease in net earnings	$(504,642)	$(177,082)
Net earnings per common and common equivalent share	$ (.02)	$ (.01)

The balance of retained earnings in fiscal 1991 has been adjusted for the effect (net of income taxes) of applying retroactively the new revenue recognition method.

On December 12, 1991, the aforementioned proposed SOP was finalized. The finalized SOP is effective for the Company's first quarter of fiscal 1993. The final SOP is not expected to have a significant impact on the Company's current revenue recognition method.

E. Supplemental Disclosure of Noncash Investing and Financing Activities

During the first quarter of fiscal 1991, the Company purchased a parcel of land and buildings for $1,387,092. In conjunction with the purchase, a mortgage loan was assumed as follows:

Land and buildings acquired	$1,387,092
Cash paid	1,080,899
Mortgage loan assumed	$ 306,193

ITEM 2. AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Management's Discussion and Analysis of Financial
Condition and Results of Operations

RESULTS OF OPERATIONS

For the quarter ended January 31, 1992, revenues totaled $31,061,834, up 32% from $23,620,484 in the corresponding quarter of fiscal 1991. Revenues for the nine months ended January 31, 1992 totaled $85,093,759, up 17% from $72,969,998 in the prior year period. Software license fees continued to be the largest single component of revenues at 52% and 49% of total revenues for the current quarter and nine months, respectively. License fees increased 50% from the same quarter in fiscal 1991 partially due to the realization of several orders that had been postponed from the second quarter of fiscal 1992 into the third quarter, as well as the effect of the Gulf War and recession in the prior year quarter. For the nine months, license fees increased 26% due to an increase in the number of license agreements. Services revenues increased 10% for the quarter and 3% for the nine months ended January 31, 1992 compared to the prior year periods. Maintenance revenues showed a 32% increase compared to the third quarter of 1991 and are up 25% compared to the first nine months of fiscal 1991. These services and maintenance increases are due to the expanding software customer base.

The cost of revenues for license fees increased 32% for the quarter and 27% for the nine months ended January 31, 1992 as compared to the prior year's periods due primarily to amortization of capitalized software development costs increasing 152% for the quarter and 128% for the nine months resulting from a number of large projects being completed in the past year, as well as regular increases in personnel related costs. Services costs, which are primarily personnel related, changed less than 3% for the quarter and nine months, which are generally consistent with the increases in revenues noted above. Maintenance cost increases of 8% for the quarter and 14% for the nine months, compared to the prior year, are consistent with the increases in maintenance revenue.

Selling, general and administrative expenses increased 11% for the quarter, and increased 12% for the nine months compared to 1991. Selling expenses are directly related to the level of revenues, which were higher in the first and third quarters. General and administrative expenses are affected by the average number of employees, which grew 3% for the quarter and 5% for the nine months ended January 31, 1992 compared to the prior year period, and increases in the cost of computer operations in response to increases in research and development and customer demands.

The effective income tax rate increased to 34.6% compared to 30.4% in the third quarter of 1991, and increased to 34.0% compared to 33.8% for the nine months ended January 31, 1991. These fluctuations are due primarily to tax-exempt earnings decreasing as a percentage of total earnings before income taxes as compared to the same periods of fiscal 1991.

FINANCIAL CONDITION

The Company's consolidated balance sheet remains very strong with a current ratio of 4.2 to 1. Liquidity also remains strong with cash and short-term investments totaling 48% of total assets. The Company believes that existing cash and short-term investments as well as cash from operations will be sufficient to meet its operational objectives.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

See the description of certain legal procedings, as contained in Part II, Item 1, of the Company's Form 10-Q Quarterly Report for the quarter ended July 31, 1991.

Item 2. Changes in Securities

Not applicable

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit 11 - Statement re: computation of Per Share Earnings.

(b) No reports on Form 8-K were filed during the quarter ended January 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN SOFTWARE, INC.

DATE 3-11-92

Neal L. Miller
Vice President of Finance

DATE 3/11/92

Peter W. Pamplin
Chief Accounting Officer

EXHIBIT INDEX

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EXHIBIT 11

AMERICAN SOFTWARE, INC. AND SUBSIDIARIES
Statement re: computation of Per Share Earnings

	Three Months Ended January 31,		Nine Months Ended January 31,	
	1992	1991	1992	1991
Common Stock:				
Weighted average common shares outstanding				
Class A shares	17,601,873	16,926,411	17,421,668	17,015,150
Class B shares	5,248,934	5,601,000	5,336,394	5,679,350
	22,850,807	22,527,411	22,758,062	22,694,500
Dilutive effect of outstanding Class A common stock options (as determined by the application of the treasury stock method using the average market price for the period)	549,327	698,592	555,169	545,799
Totals	23,400,134	23,226,003	23,313,231	23,240,299
Net earnings	$ 6,115,590	$ 3,245,224	$14,874,546	$11,991,995
Earnings per common and common equivalent share	$ .26	$ .14	$ .64	$ .52